

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

MEMORANDUM

TO: Montague Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: July 15, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



Alternative 4
7.75% Investment Return
2.5% Total Increasing to FY30

Montague Retirement System
January 1, 2014 Actuarial Valuation

Total Cost Increasing 2.5% through FY30

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Increase</u> <u>Total Cost</u>
2015	525,983	30,000	979,305	44,409	64,657	1,644,354	11,287,030	
2016	549,652	30,000	996,781	44,409	64,657	1,685,500	10,996,301	2.5%
2017	574,386	30,000	1,014,147	44,409	64,657	1,727,600	10,664,325	2.5%
2018	600,234	30,000	1,031,500	44,409	64,657	1,770,800	10,288,025	2.5%
2019	627,244	30,000	1,048,789	44,409	64,657	1,815,100	9,863,980	2.5%
2020	655,470	30,000	1,110,372		64,657	1,860,500	9,388,558	2.5%
2021	684,966	30,000	1,192,034			1,907,000	8,857,899	2.5%
2022	715,790	30,000	1,208,910			1,954,700	8,267,906	2.5%
2023	748,000	30,000	1,225,600			2,003,600	7,614,116	2.5%
2024	781,660	30,000	1,242,040			2,053,700	6,891,786	2.5%
2025	816,835	30,000	1,258,165			2,105,000	6,095,870	2.5%
2026	853,593	30,000	1,274,007			2,157,600	5,221,004	2.5%
2027	892,004	30,000	1,289,496			2,211,500	4,261,370	2.5%
2028	932,144	30,000	1,304,656			2,266,800	3,210,779	2.5%
2029	974,091	30,000	1,319,409			2,323,500	2,062,534	2.5%
2030	1,017,925	30,000	814,534			1,862,459	809,501	-19.8%
2031	1,063,732	30,000				1,093,732	0	-41.3%
2032	1,111,600	30,000				1,141,600	0	4.4%

FY15 appropriation maintained from the current schedule

Appropriation payments assumed to be made August 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$180,000

Total appropriation increases 2.5% each year through FY29 with final amortization payment in FY30